



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

(A-580-871)

Grain-Oriented Electrical Steel from the Republic of Korea: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that grain-oriented electrical steel (GOES) from the Republic of Korea (Korea) is being sold in the United States at less than fair value (LTFV) pursuant to section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

EFFECTIVE DATE: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Mark Flessner at (202) 482-6312 or Steve Bezirgianian at (202) 482-1131; AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230

SUPPLEMENTARY INFORMATION:

Background

On May 12, 2014, the Department published in the Federal Register the preliminary determination of sales at LTFV in the LTFV investigation of GOES from Korea.¹ The following events occurred since the Preliminary Determination was issued.

¹ See Grain-Oriented Electrical Steel from the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 79 FR 26939 (May 12, 2014) (Preliminary Determination).

Between May 25, 2014, and June 20, 2014, the Department conducted sales and cost verifications of POSCO in accordance with section 782(i) of the Act.²

On August 4, 2014, and August 11, 2014, the petitioners and a domestic interested party,³ jointly, and POSCO each submitted case and rebuttal briefs, respectively.

Period of Investigation

The period of investigation (POI) is July 1, 2012, through June 30, 2013.

Scope of the Investigation

The scope of the investigation covers GOES, which is a flat-rolled alloy steel product containing by weight specific levels of silicon, carbon, and aluminum. For a complete description of the scope of the investigation, see Appendix I to this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum⁴ which is hereby adopted with this notice. A list of the issues raised is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum

² See "Verification" section below.

³ The petitioners in this investigation are AK Steel Corporation, Allegheny Ludlum, LLC, and the United Steelworkers. In addition, the International Union, United Automobile, Aerospace, and Agricultural Implemental Workers of America (UAW) is a domestic interested party.

⁴ See the memorandum from Gary Taverman, Associate Deputy Assistant Secretary for AD/CVD Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, entitled, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less than Fair Value Investigation of Grain-Oriented Electrical Steel from the Republic of Korea," dated September 24, 2014 (Issues and Decision Memorandum).

can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Act, in May and June, 2014, we verified the sales and cost information submitted by POSCO for use in our final determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by POSCO.⁵

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the Preliminary Determination. For a discussion of these changes, see the “Margin Calculations” section of the Issues and Decision Memorandum. Certain other changes were made to the Preliminary Determination which are detailed in the COP and CV Calculations Memorandum.⁶ The public version of the COP and CV Calculation Memorandum is also available to any party through IA ACCESS or in the Department’s Central Record Unit.

Final Determination

The estimated weighted-average dumping margins are as follows:

⁵ See the memorandum from Mark Flessner and Tyler R Weinhold to the File entitled, “Grain-Oriented Electrical Steel from Korea: Verification Report for POSCO,” dated July 14, 2014; see also the memorandum from LaVonne Clark to the File entitled, “Verification of the Cost Response of POSCO Corporation in the Antidumping Duty Investigation of Grain-Oriented Electrical Steel from the Republic of Korea,” dated July 28, 2014.

⁶ See the memorandum from LaVonne Clark to Neal M. Halper, Director, Office of Accounting, entitled, “Cost of Production and Constructed Value Calculation Adjustments for the Final Determination – POSCO,” dated September 24, 2014 (COP and CV Calculations Memorandum).

| Producer/Exporter | Estimated Weighted-Average Dumping Margin (Percent) |
|-------------------|---|
| POSCO | 3.68 |
| All Others | 3.68 |

Disclosure

We will disclose the calculations performed for this final determination within five days of its public announcement, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of GOES from Korea as described in the “Scope of the Investigation” section of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 12, 2014, the date of publication of the preliminary determination of this investigation in the Federal Register.

Further, the Department will instruct CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price as follows: (1) for the respondent listed in the table above (i.e., POSCO), the cash deposit rate will be equal to the estimated weighted-average dumping margin which the Department determined in this final determination; (2) if the exporter is not a respondent examined in this investigation, but the producer is, the cash deposit rate will be the rate established for the producer of the subject merchandise; and (3) the cash deposit rate for all other producers or exporters will be 3.68 percent, the all others rate listed above. These suspension of liquidation instructions will remain in effect until further notice.

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding all rates that are zero or de minimis, and all rates determined entirely under section 776 of the Act. The all others rate is based on the estimated weighted-average dumping margin calculated for POSCO, the only company for which the Department calculated a rate.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of GOES from Korea no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the associated proceeding will be terminated and all securities posted will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

September 24, 2014
Date

Appendix I – Scope of the Investigation

The scope of this investigation covers grain-oriented silicon electrical steel (GOES). GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to these investigations is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive. Excluded are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the HTSUS as a transformer part (i.e., laminations).

Appendix II – List of Issues Raised in Case and Rebuttal Briefs

Summary

Background

Discussion of the Issues

- Issue 1: Use of Export Price versus Constructed Export Price
- Issue 2: CEP Offset
- Issue 3: Exporter's Indirect Selling Expenses and Net Reseller Profit Margin
- Issue 4: Freight Revenue
- Issue 5: Billing Adjustments
- Issue 6: Classification of Late Payment Fees as Expenses
- Issue 7: Model Match Variables
- Issue 8: Differential Pricing Analysis
- Issue 9: Floor of Zero for Imputed Credit Expenses
- Issue 10: Interest Rate for Imputed Credit for Home Market Sales
- Issue 11: General and Administrative and Financial Expense Ratios

Conclusion

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